Spectrum Brands

Fiscal 2020 Fourth Quarter and Full Year Earnings Call

November 13, 2020

Agenda

• **Introduction**	Kevin Kim Divisional Vice President, Investor Relations
• **CEO Overview and Outlook**	David Maura Chairman and Chief Executive Officer
• **Financial Review**	Jeremy Smeltser Chief Financial Officer
• **Business Review**	Randy Lewis Chief Operating Officer
• **Q&A**	David Maura Jeremy Smeltser Randy Lewis

Forward-Looking Statements

This presentation contains, and certain oral and written statements made by our representatives from time to time may contain, forward-looking statements, including, without limitation, statements or expectations regarding our Global Productivity Improvement Plan, our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, information concerning expected actions of third parties, retention and future compensation of key personnel, our ability to meet environmental, social, and governance goals, the expected impact of the COVID-19 pandemic, economic, social and political conditions or civil unrest in the U.S. and other countries, and other statements regarding the Company’s ability to meet its expectations for its fiscal 2020. When used in this document, the words future, anticipate, pro forma, seeks, intend, plan, envision, estimate, believe, belief, expect, project, forecast, outlook, goal, target, could, would, will, can, should, may and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: (1) the impact of the COVID-19 pandemic on our customers, employees, manufacturing facilities, suppliers, the capital markets and our financial condition, and results of operations, all of which tend to aggravate the other risks and uncertainties we face; (2) the impact of our indebtedness on our business, financial condition and results of operations; (3) the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand business strategies; (4) any failure to comply with financial covenants and other provisions and restrictions of our debt instruments; (5) the effects of general economic conditions, including the impact of, and changes to tariffs and trade policies, inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or monetary or fiscal policies in the countries where we do business; (6) the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers’ willingness to advance credit; (7) interest rate and exchange rate fluctuations; (8) the loss of, significant reduction in, or dependence upon, sales to any significant retail customer(s); (9) competitive promotional activity or spending by competitors, or price reductions by competitors; (10) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (11) the impact of actions taken by significant stockholders; (12) changes in consumer spending preferences and demand for our products, particularly in light of the COVID-19 pandemic and economic stress; (13) our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; (14) our ability to successfully identify, implement, achieve and sustain productivity improvements (including our Global Productivity Improvement Plan), cost efficiencies (including at our manufacturing and distribution operations), and cost savings; (15) the seasonal nature of sales of certain of our products; (16) the effects of climate change and unusual weather activity, as well as further natural disasters and pandemics; (17) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (18) our discretion to conduct, suspend or discontinue our share repurchase program (including our discretion to conduct purchases, if any, in a variety of manners including open-market purchases or privately negotiated transactions); (19) public perception regarding the safety of products that we manufacture and sell, including the potential for environmental liabilities, product liability claims, litigation and other claims related to products manufactured by us and third parties; (20) the impact of existing, pending or threatened litigation, government regulations or other requirements or operating standards applicable to our business; (21) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data, including our failure to comply with new and increasingly complex global data privacy regulations; (22) changes in accounting policies applicable to our business; (23) our ability to utilize net operating loss carry-forwards to offset tax liabilities from future taxable income; (24) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities; (25) our ability to successfully implement further acquisitions or dispositions and the impact of any such transactions on our financial performance; (26) the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles; (27) the impact of economic, social and political conditions or civil unrest in the U.S. and other countries; (28) the effects of political or economic conditions, terrorist attacks, acts of war, natural disasters, public health concerns or other unrest in international markets; (29) our ability to achieve our goals regarding environmental, social and governance practices; (30) our increased reliance on third-party partners, suppliers, and distributors to achieve our business objectives; and (31) the other risk factors set forth in the securities filings of Spectrum Brands Holdings, Inc. and SB/RH Holdings, LLC, including their most recently filed Annual Report on Form 10-K and subsequent Quarterly Report(s) on Form 10-Q.

Some of the above-mentioned factors are described in further detail in the sections entitled “Risk Factors” in our annual and quarterly reports, as applicable. You should assume the information appearing in this document is accurate only as of the date hereof, or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since such date. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the United States Securities and Exchange Commission, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

Reconciliation of Non-GAAP Financial Measurements

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Within this presentation, including the tables that follow, reference is made to organic net sales, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA margin, adjusted earnings per share (EPS) and adjusted Free Cash Flow.

Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. Organic growth is calculated by comparing organic net sales to net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the period's net sales using the currency exchange rates that were in effect during the prior comparative period. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure for determining Spectrum Brands' debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales. Management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate. Adjusted free cash flow provides useful information to investors regarding our ability to generate cash from business operations that is available for acquisitions and other investments, service of debt principal, dividends and share repurchases and meet its working capital requirements. Our definition of adjusted free cash flow takes into consideration capital investments required to maintain operations of our businesses and execute our strategy. For the three and twelve month periods ended September 30, 2020, the normalized ongoing effective tax rate was 25.0%.

Spectrum Brands provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While Spectrum Brands' management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Spectrum Brands' GAAP financial results and should be read in conjunction with those GAAP results. Supplemental tables have been provided within this presentation to demonstrate reconciliation of non-GAAP measurements discussed in the most relevant GAAP financial measurements.

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CEO Overview & Outlook

David Maura

Milestone Year in 2020

One Team: Better, Faster and Stronger Together

COVID Response

Adapted, survived and thrived during pandemic

- Protected employees, avoided substantial cuts or pay reductions
- Timely launched Cutter hand sanitizer and Nature's Miracle disinfectant

Home Essentials

Shifted focus to a "Home Essentials" company

- Created new content to support brands and consumers
- Incremental investments in advertising and promotion

GPIP Success

Continued laser-focus on Global Productivity Improvement Program (GPIP)

- Raised expected gross annualized savings to \$150M, most of the savings being reinvested back into growth initiatives, R&D, consumer insights and marketing
- Established Centers of Excellence

Financial Strength

Enhanced liquidity to over \$1.1B and maintained a strong balance sheet

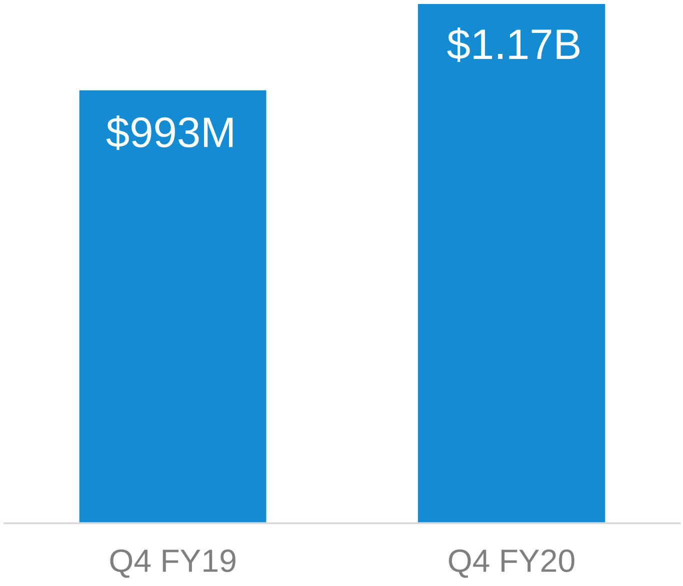
- Net leverage improved to 3.4x at the end of fourth quarter 2020
- Ended with a cash balance of \$532M
- Announced the acquisition of Armitage to our fast-growing Global Pet Care business

Fourth Quarter 2020
Total SPB

Spectrum Brands

Net Sales

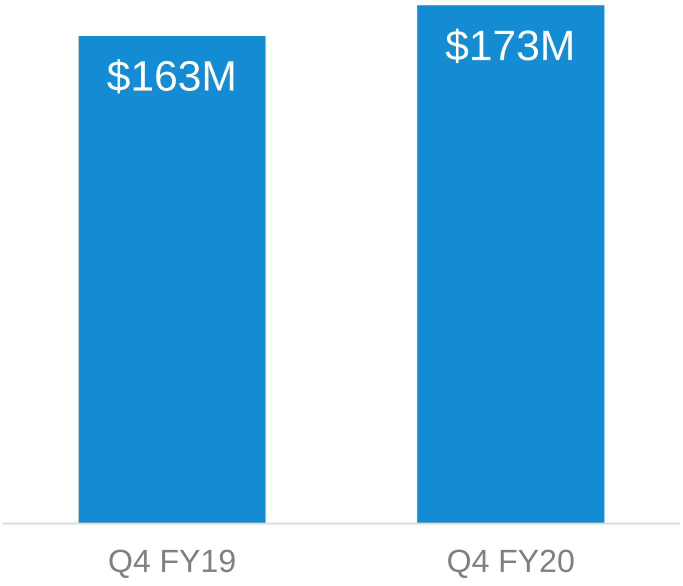
+17.9%



Organic Sales +17.1%

Adj. EBITDA

+6.3%



GAAP Operating Income +$214M

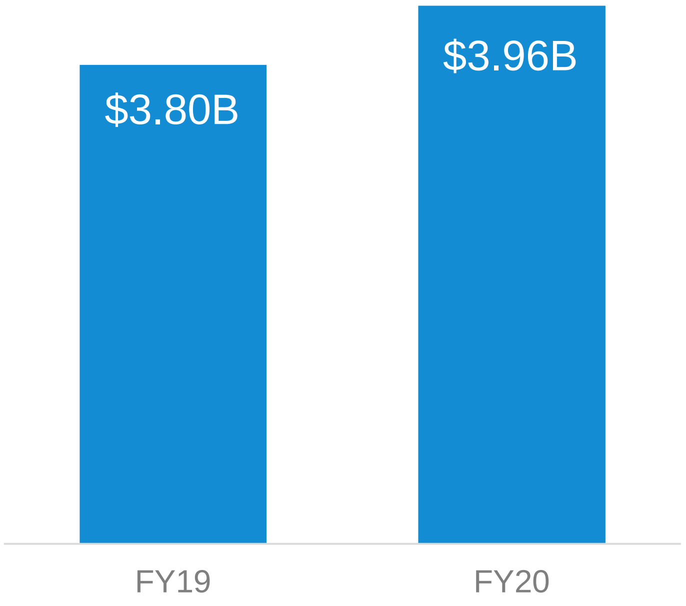
KEY TAKEAWAYS

- **Net sales growth across all business units**, with HHI up 18.9%, HPC up 5.8%, Global Pet Care up 21.6% and Home and Garden up 37.8%
- **Adjusted EBITDA was driven by strong volumes and improved gross margins.** Adjusted EBITDA now includes a change to annual incentive compensation policy, which negatively impacts comparability by $17M in Q4 and full year 2020. Pro forma adjusted EBITDA of $190M grew 16.7%

Full Year 2020
Total SPB

Net Sales

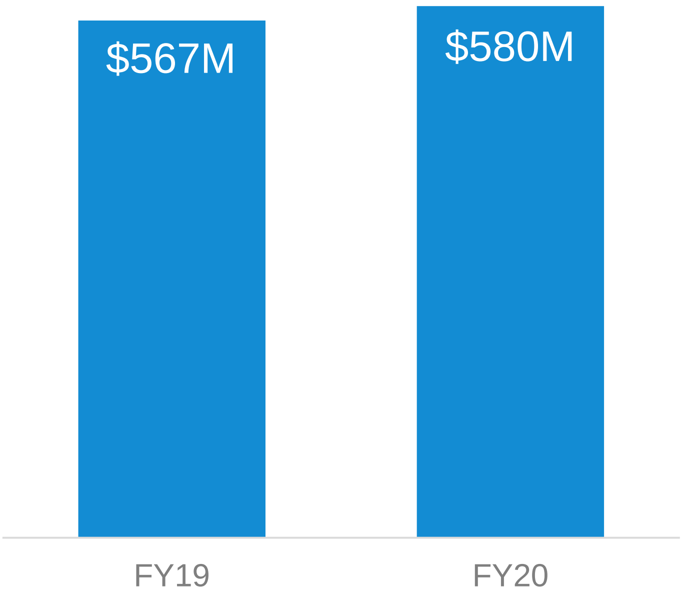
+4.3%



Organic Sales +4.6%

Adj. EBITDA

+2.3%



GAAP Operating Income +$171M

KEY TAKEAWAYS

- **Adjusted EBITDA grew 2.3%, grew 5.3% on a pro forma basis** for the change to annual incentive compensation program change
- Generated **full year Adjusted Free Cash Flow of $254M**
- Balance sheet improved sequentially, with **net leverage of 3.4x and over $1.1B in total liquidity**

SPB – A Home Essentials Company – We Are Investing In Our Brands

Spectrum Brands

HPC

GEORGE FOREMAN

BLACK+DECKER

GPC

NATURE'S MIRACLE

DreamBone

SmartBones

HHI

Kwikset

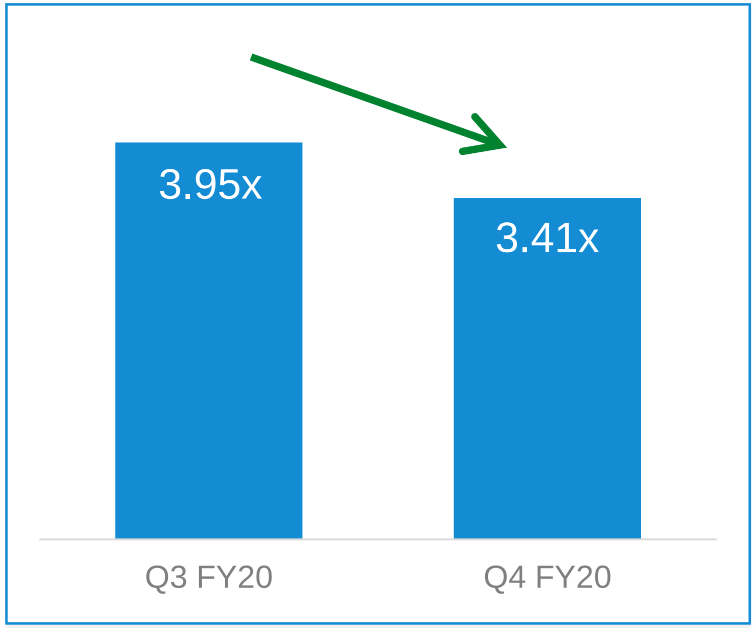
Pfister

H&G

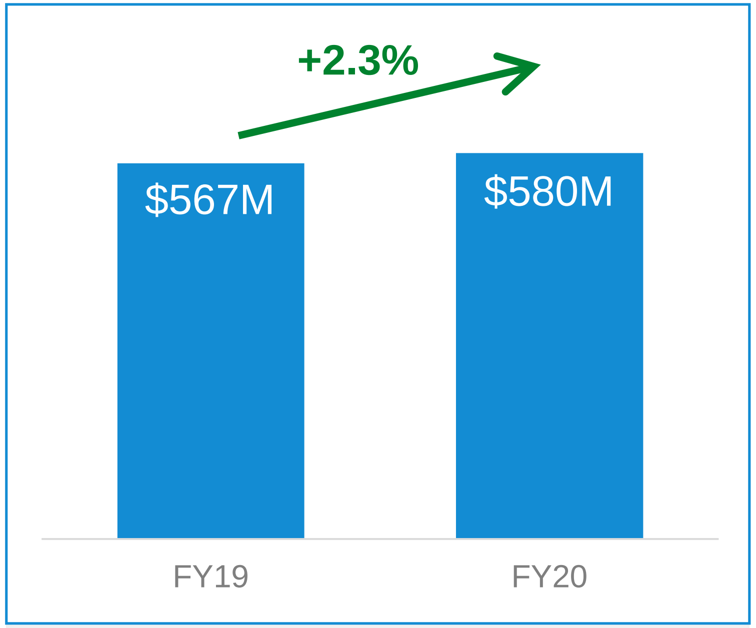
Cutter

Spectracide

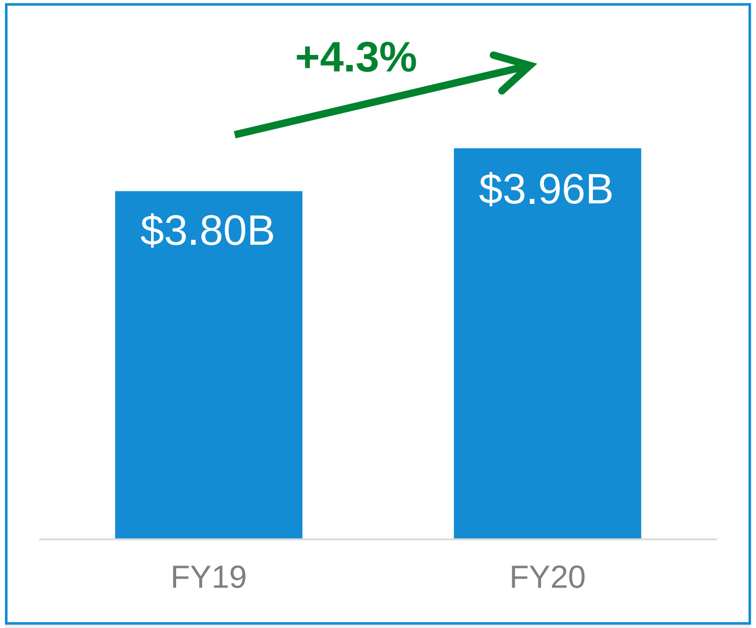
Significant Progress, Improved Financials & Positive Outlook



Net Leverage



Adjusted EBITDA



Net Sales

FY21

+3% to +5%	+Mid Single-Digits	$250M-$270M
Net Sales	Adj. EBITDA	Adj. FCF

Note: Guidance as of November 13, 2020

Capital Strategy

LEVERAGE TARGET of 3x-4x net debt to EBITDA *(previously 3.5x-4x)*

1. ORGANIC GROWTH	We intend to allocate capital internally to our highest return opportunities: R&D, Innovation, New products and advertising/marketing. Drive vitality and profitable organic growth.
2. RETURN OF CAPITAL	We intend to return cash to shareholders via dividends and opportunistic share repurchases.
3. MERGERS & ACQUISITIONS	We intend to pursue tuck in strategic acquisitions that are synergistic and help drive shareholder value creation.

Financial Review

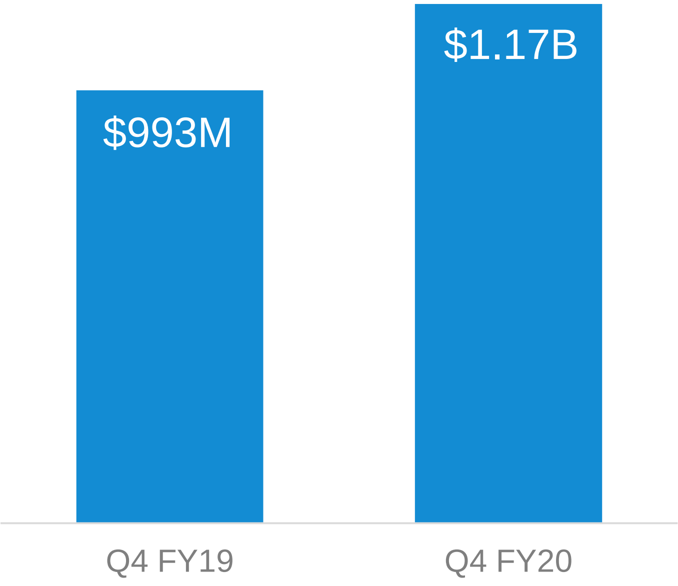
Jeremy Smeltser

Fourth Quarter 2020
Total SPB

Spectrum Brands

Net Sales

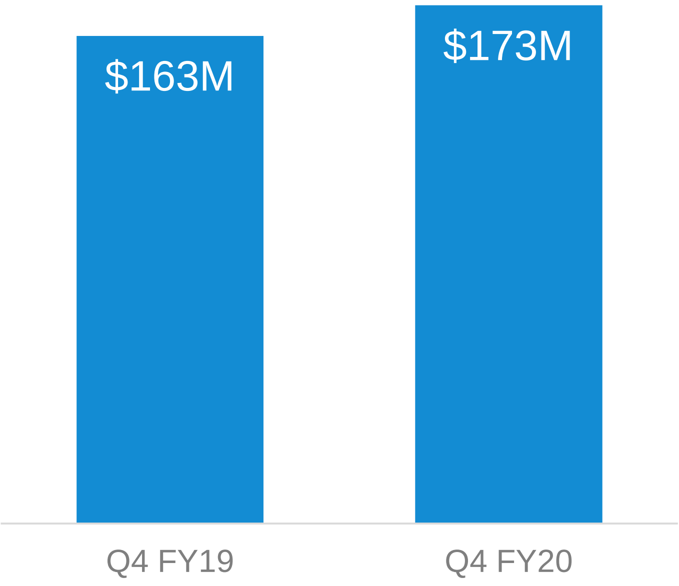
+17.9%



Organic Sales +17.1%

Adj. EBITDA

+6.3%



GAAP Operating Income +$214M

KEY TAKEAWAYS

- **Net sales growth across all business units**, with HHI up 18.9%, HPC up 5.8%, Global Pet Care up 21.6% and Home and Garden up 37.8%
- **Adjusted EBITDA was driven by strong volumes and improved gross margins.** Adjusted EBITDA now includes a change to annual incentive compensation program, which negatively impacts comparability by $17M in Q4 and full year 2020. Pro forma adjusted EBITDA of $190M grew 16.7%

Q4 Financial Review

- **Q4 interest expense** from continuing operations of $38.0M increased $1.0 million
- **Depreciation and amortization** from continuing operations of $35.5M was $6.9M lower than the prior year
- **Cash payments for transactions** were $6.2M, down from $6.7M last year. Restructuring & related payments for Q4 were $10.2M versus $9.5M last year
- The Company had a **cash balance of $531.6M and approximately $579M available on its $600M Cash Flow Revolver**
- The Company had approximately **$2.5B of debt outstanding**
- **Net leverage was approximately 3.4x** at the end of fiscal 2020
- **Sold approximately 1.5M shares of Energizer stock** for proceeds of $67.4M during the quarter and held just under 1.7M shares at year-end

2021 Business Outlook

Spectrum Brands

- We currently expect **three to five percent reported net sales growth,** with **foreign exchange expected to have a slightly positive impact** based upon current rates
- **Fiscal 2021 adjusted EBITDA** is expected to **increase mid single-digits**
- **Adjusted free cash flow** is expected to be **between $250M and $270M**
- Now targeting **net leverage range of 3x-4x** adjusted EBITDA *(previously 3.5x-4x)*
- Demand in October remained strong with **net sales up** across all business units

Business Review

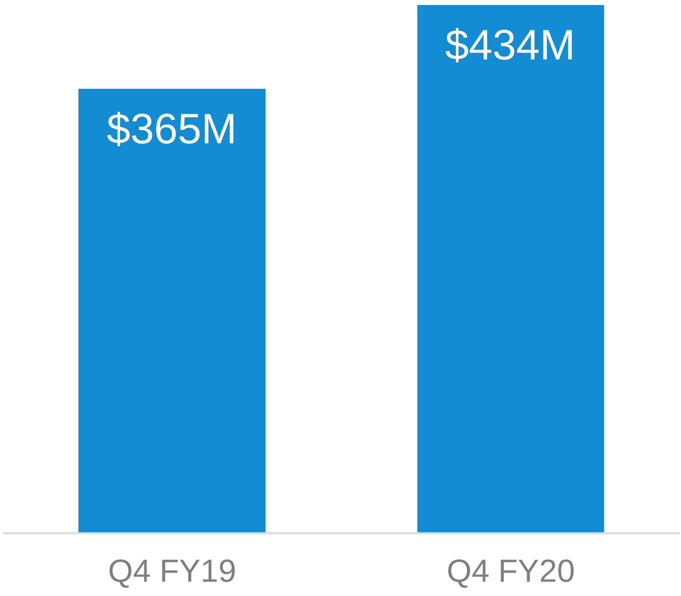
Randy Lewis

Fourth Quarter 2020
Hardware & Home Improvement

Spectrum Brands

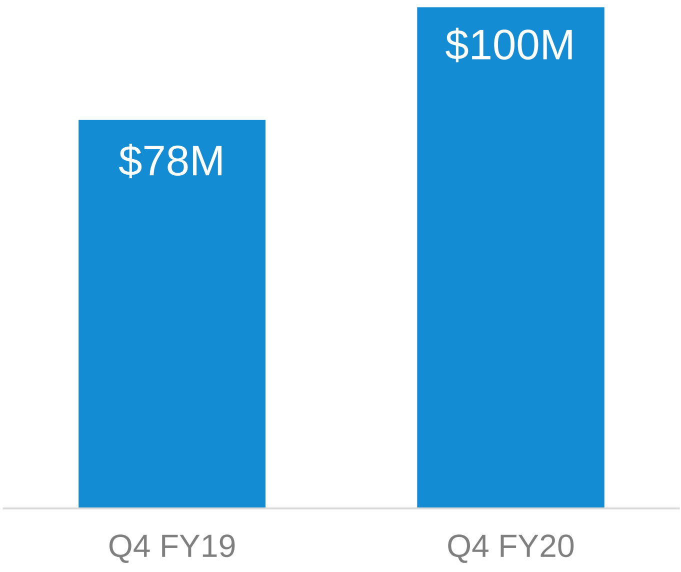
Net Sales

+18.9%



Adj. EBITDA

+29.0%



GAAP Operating Income +35.3%

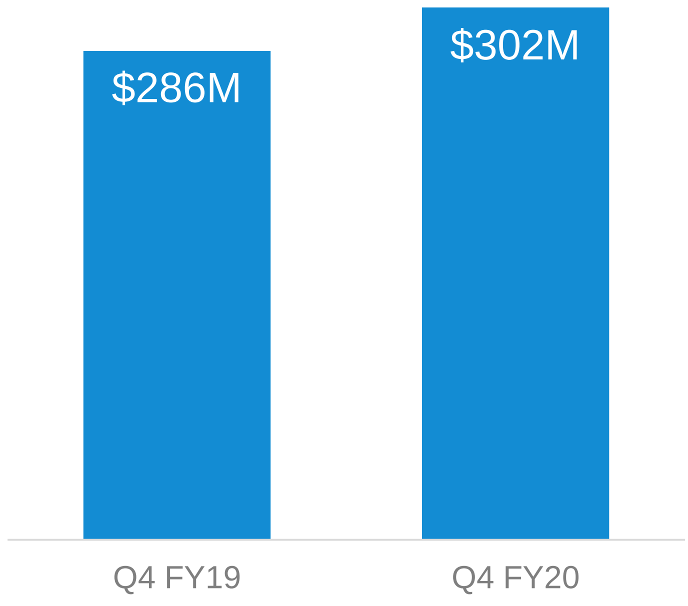
KEY TAKEAWAYS

- **Organic net sales increased 18.7%**, with strong POS and improved shipments
- **Adjusted EBITDA increased 29.0%**, primarily driven by positive volumes, as well as productivity improvements, favorable mix and pricing, partially offset by higher tariff and COVID-19 related costs
- During the quarter, **backlog levels grew from $40M to over $50M,** expect to materially reduce the backlog by the end of the Q1 2021

Fourth Quarter 2020
Home & Personal Care

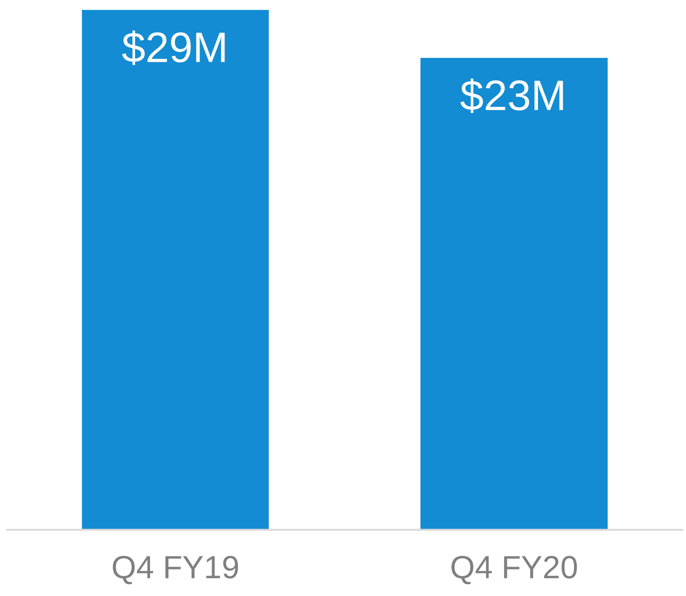
Net Sales

+5.8%



Adj. EBITDA

-22.8%



GAAP Operating Income +$130M

KEY TAKEAWAYS

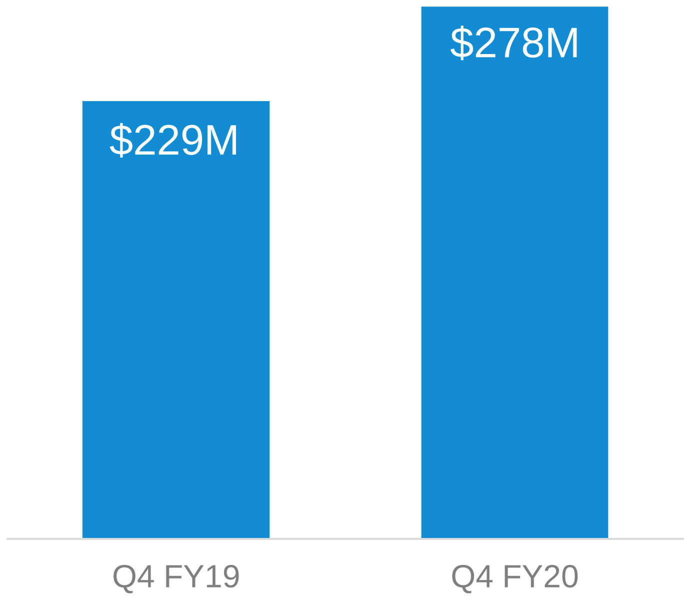
- Net sales were driven by **growth in both small appliances and personal care categories**
- Q4 represented the **fifth consecutive quarter of year-over-year top line growth**
- Adjusted EBITDA down due to **higher advertisement and promotional investments**, tariff and legal costs, partially offset by improved productivity and higher volumes
- Our focus in 2021 will remain on **consumer-led, insight driven products, and brand investments**

Fourth Quarter 2020
Global Pet Care

Spectrum Brands

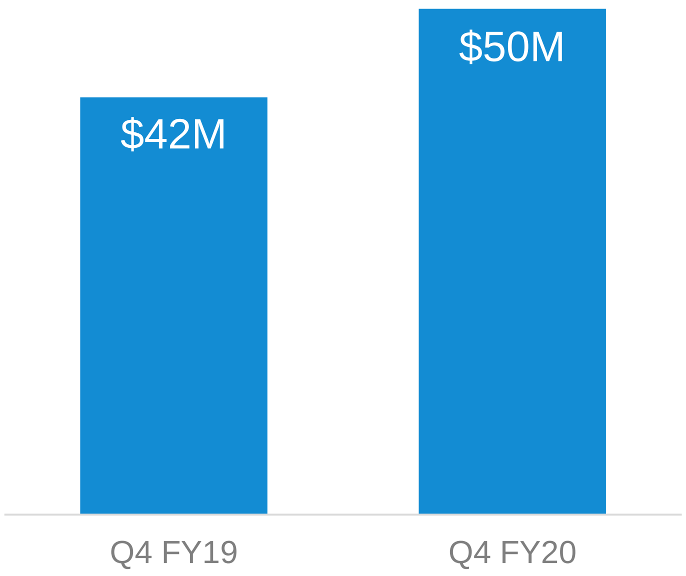
Net Sales

+21.6%



Adj. EBITDA

+19.7%



GAAP Operating Income +$29M

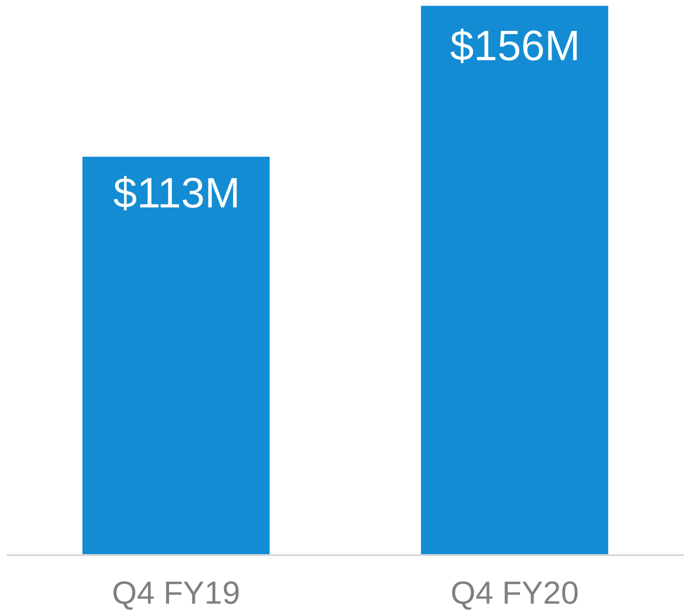
KEY TAKEAWAYS

- **Top-line growth** was driven by both aquatic and companion animal categories
- **Higher adjusted EBITDA** was driven by volume growth, productivity improvements and pricing
- **Eighth consecutive quarter of year-over-year top-line and sixth consecutive quarter of bottom-line growth**
- We plan to continue to **build our worldwide market leadership position** in our core categories of Aquatics; Dog Chews; Pet Grooming and Pet Stain & Odor

Fourth Quarter 2020
Home & Garden

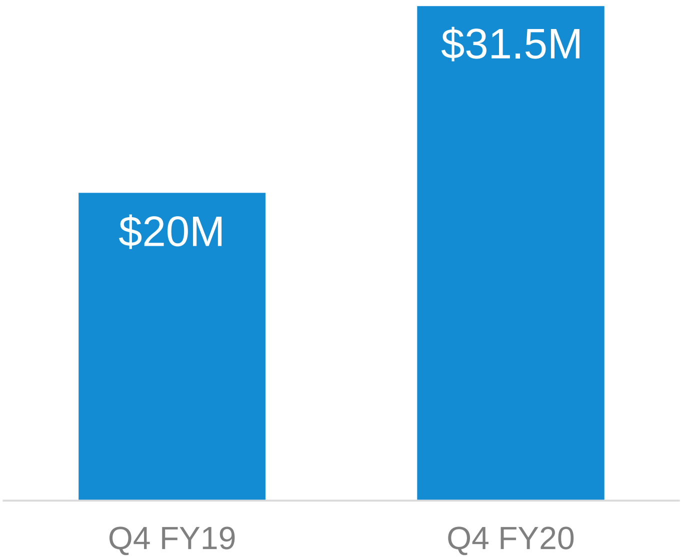
Net Sales

+37.8%



Adj. EBITDA

+60.7%



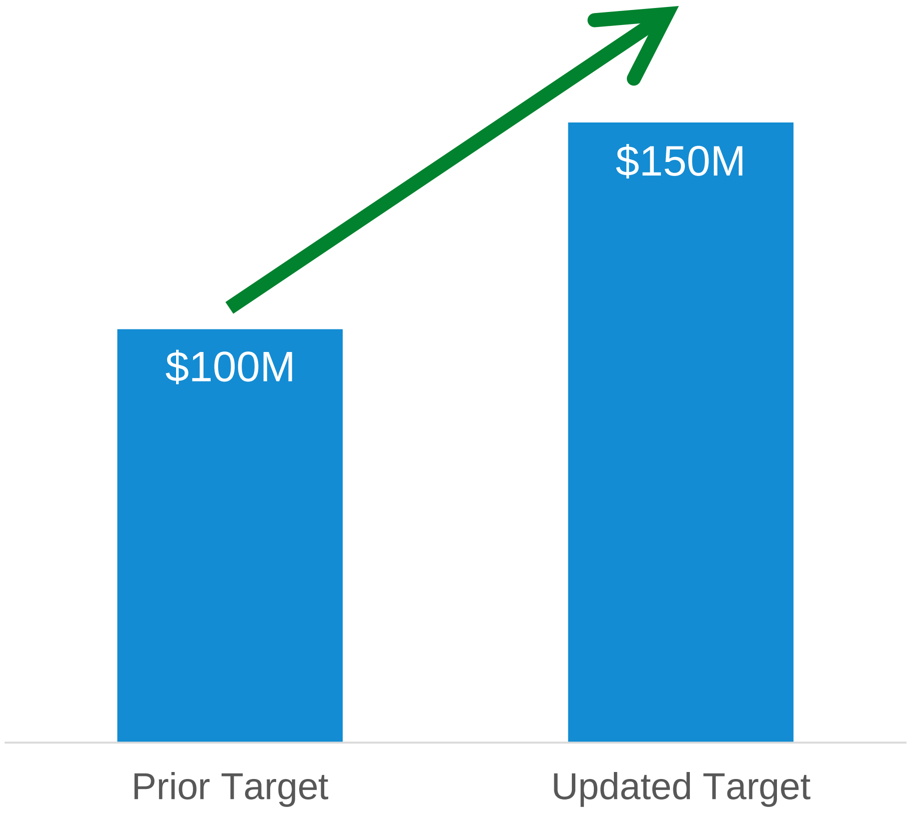
GAAP Operating Income +85.9%

KEY TAKEAWAYS

- **Topline growth across controls, household insecticides and repellents** benefited from strong point of sale and replenishment as retailers supported the extended selling season
- **Adjusted EBITDA increase** was driven by higher volumes, pricing, and productivity
- **The fundamentals in this business remain strong** with solid profitability and high barriers to entry

Global Productivity Improvement Program: Achievements

Raising Total Gross Savings to $150 million



Commercial Improvements:
Consistently operating through center-led global teams

G&A:
Significant progress with automation and GBS

Supply Chain:
Established center-led functions to leverage global scale

Procurement:
Realized significant savings from both direct and indirect sourcing initiatives

CEO TAKEAWAYS

David Maura

CEO TAKEAWAYS

1. Fourth quarter financial results reflected a **strong acceleration in sales**
   - Exceptional growth across all business units

2. **Momentum in the business remains positive**
   - Continued strong demand in October
   - Fiscal 2021 off to a great start

3. Actions from our Spectrum family to improve the business is nothing short of remarkable
   - We have embraced our position as a **home essentials company**
   - Recovered quickly from COVID-19 related supply disruptions earlier in the year
   - **We raised our gross savings target to $150M**, as we continue to improved our commercial and operating capabilities as a quicker, more globally aligned company

APPENDIX

SPECTRUM BRANDS HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(in millions, except per share amounts)	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019	Twelve Month Period Ended September 30, 2020	Twelve Month Period Ended September 30, 2019
Net sales	$ 1,170.6	$ 993.0	$ 3,964.2	$ 3,802.1
Cost of goods sold	745.8	657.0	2,580.0	2,492.4
Restructuring and related charges	1.8	1.3	14.3	2.8
Gross profit	423.0	334.7	1,369.9	1,306.9
Selling	177.2	141.5	614.5	600.5
General and administrative	92.1	90.9	337.8	354.6
Research and development	12.1	10.8	41.8	43.5
Restructuring and related charges	9.2	22.2	58.3	62.9
Transaction related charges	5.7	5.4	23.1	21.8
Loss on assets held for sale	-	-	26.8	-
Write-off from impairment of goodwill	-	116.0	-	116.0
Write-off from impairment of intangible assets	-	35.4	24.2	35.4
Total operating expenses	296.3	422.2	1,126.5	1,234.7
Operating income	126.7	(87.5)	243.4	72.2
Interest expense	38.0	37.0	144.5	222.1
Gain from extinguishment of Salus CLO debt	-	-	(76.2)	-
Other non-operating expense (income), net	9.3	(20.3)	19.7	43.9
Income (loss) from continuing operations before income taxes	79.4	(104.2)	155.4	(193.8)
Income tax expense (benefit)	35.6	(25.2)	70.9	(7.1)
Net income (loss) from continuing operations	43.8	(79.0)	84.5	(186.7)
Income (loss) from discontinued operations, net of tax	1.7	(16.7)	14.0	682.5
Net income (loss)	45.5	(95.7)	98.5	495.8
Net income attributable to non-controlling interest	0.1	-	0.7	1.3
Net income (loss) attributable to controlling interest	$ 45.4	$ (95.7)	$ 97.8	$ 494.5
Amounts attributable to controlling interest				
Net income (loss) from continuing operations attributable to controlling interest	$ 43.7	$ (79.0)	$ 83.8	$ (188.0)
Net income (loss) from discontinued operations attributable to controlling interest	1.7	(16.7)	14.0	682.5
Net income (loss) attributable to controlling interest	$ 45.4	$ (95.7)	$ 97.8	$ 494.5
Earnings Per Share				
Basic earnings per share from continuing operations	$ 1.01	$ (1.62)	$ 1.88	$ (3.71)
Basic earnings per share from discontinued operations	0.04	(0.35)	0.31	13.47
Basic earnings per share	$ 1.05	$ (1.97)	$ 2.19	$ 9.76
Diluted earnings per share from continuing operations	$ 1.01	$ (1.62)	$ 1.87	$ (3.71)
Diluted earnings per share from discontinued operations	0.04	(0.35)	0.31	13.47
Diluted earnings per share	$ 1.05	$ (1.97)	$ 2.18	$ 9.76
Weighted Average Shares Outstanding				
Basic	43.1	48.8	44.7	50.7
Diluted	43.4	48.8	44.9	50.7

SPECTRUM BRANDS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

	Twelve Month Period Ended	
(in millions)	September 30, 2020	September 30, 2019
Cash flows from operating activities		
Net cash provided by operating activities from continuing operations	$ 290.1	$ 83.5
Net cash provided (used) by operating activities from discontinued operations	0.2	(82.4)
Net cash provided by operating activities	290.3	1.1
Cash flows from investing activities		
Purchases of property, plant and equipment	(61.0)	(58.4)
Proceeds from disposal of property, plant and equipment	4.2	2.1
Proceeds from sale of assets held for sale	29.0	-
Proceeds from sale of discontinued operations, net of cash	3.6	2,859.5
Business acquisitions, net of cash acquired	(16.9)	-
Proceeds from sale of equity investment	147.1	-
Other investing activity	2.3	(0.3)
Net cash provided by investing activities from continuing operations	108.3	2,802.9
Net cash used by investing activities from discontinued operations	-	(5.3)
Net cash provided by investing activities	108.3	2,797.6
Cash flows from financing activities		
Payment of debt, including premium on extinguishment	(135.5)	(2,649.9)
Proceeds from issuance of debt	300.0	300.0
Payment of debt issuance costs	(11.5)	(4.1)
Treasury stock purchases	(239.8)	(268.5)
Accelerated share repurchase	(125.0)	-
Dividends paid to shareholders	(75.2)	(85.5)
Dividends paid by subsidiary to non-controlling interest	(0.8)	(1.1)
Share based award tax withholding payments, net of proceeds upon vesting	(12.6)	(4.4)
Payment of contingent consideration	(197.0)	(8.9)
Other financing activities, net	0.3	-
Net cash used by financing activities from continuing operations	(497.1)	(2,722.4)
Net cash used by financing activities from discontinued operations	-	(2.2)
Net cash used by financing activities	(497.1)	(2,724.6)
Effect of exchange rate changes on cash and cash equivalents	5.1	(8.4)
Net change in cash, cash equivalents and restricted cash in continuing operations	$ (93.4)	$ 65.7
Cash, cash equivalents, and restricted cash, beginning of period	627.1	561.4
Cash, cash equivalents, and restricted cash, end of period	$ 533.7	627.1

SPECTRUM BRANDS HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

(in millions)	September 30, 2020	September 30, 2019
Assets		
Cash and cash equivalents	$ 531.6	$ 627.1
Trade receivables, net	501.1	356.7
Other receivables	74.2	74.2
Inventories	557.7	548.4
Prepaid expenses and other current assets	63.5	53.5
Total current assets	1,728.1	1,659.9
Property, plant and equipment, net	396.5	452.9
Operating lease assets	103.8	-
Investments	66.9	230.8
Deferred charges and other	48.3	67.2
Goodwill	1,332.0	1,328.1
Intangible assets, net	1,431.7	1,507.1
Total assets	$ 5,107.3	$ 5,246.0
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 15.3	$ 136.9
Accounts payable	557.5	456.8
Accrued wages and salaries	95.0	72.1
Accrued interest	38.5	29.3
Indemnification payable to Energizer	33.0	230.8
Other current liabilities	205.6	214.2
Total current liabilities	944.9	1,140.1
Long-term debt, net of current portion	2,461.0	2,214.4
Long-term operating lease liabilities	88.8	-
Deferred income taxes	65.4	50.6
Other long-term liabilities	131.4	112.0
Total liabilities	3,691.5	3,517.1
Total shareholders' equity	1,407.5	1,720.9
Noncontrolling interest	8.3	8.0
Total equity	1,415.8	1,728.9
Total liabilities and equity	$ 5,107.3	$ 5,246.0

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE (Unaudited)

	Three Month Period Ended		Twelve Month Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Diluted EPS from continuing operations, as reported	$ 1.01	$ (1.62)	$ 1.87	$ (3.71)
Adjustments:				
Restructuring and related charges	0.25	0.48	1.62	1.30
Transaction related charges	0.13	0.11	0.51	0.43
Debt refinancing costs	-	0.09	0.06	1.09
Loss (Gain) on Energizer investment	0.20	(0.53)	0.38	0.24
Loss on assets held for sale	-	-	0.60	-
Write-off from impairment of goodwill	-	2.38	-	2.29
Write-off from impairment of intangible assets	-	0.73	0.54	0.70
Foreign currency change on multicurrency divestiture loans	(0.03)	0.14	0.09	0.71
Legal and environmental reserves	-	0.21	-	0.20
Salus	-	0.01	0.01	0.03
Salus CLO debt extinguishment	-	-	(1.70)	-
GPC safety recall	-	-	-	0.01
Depreciation & amortization on HPC long-lived assets	-	-	-	0.57
Other	(0.09)	0.04	(0.09)	0.10
Income tax adjustment	0.25	(0.91)	0.21	(1.10)
Total adjustments	0.71	2.75	2.23	6.57
Diluted EPS from continuing operations, as adjusted	$ 1.72	$ 1.13	$ 4.10	$ 2.86

SPECTRUM BRANDS HOLDINGS, INC.

TRANSACTION RELATED CHARGES (Unaudited)

(in millions)	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019	Twelve Month Period Ended September 30, 2020	Twelve Month Period Ended September 30, 2019
Coevorden operations divestiture	$ 2.1	$ -	$ 5.5	$ -
GBL post divestiture separation	2.6	3.6	10.2	9.5
HPC divestiture	0.3	1.2	3.9	7.3
Omega Sea acquisition	0.1	-	1.6	-
Other integration	0.6	0.6	1.9	5.0
Total transaction-related charges	$ 5.7	$ 5.4	$ 23.1	$ 21.8

SPECTRUM BRANDS HOLDINGS, INC.

RESTRUCTURING AND RELATED CHARGES (Unaudited)

(in millions)	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019	Twleve Month Period Ended September 30, 2020	Twleve Month Period Ended September 30, 2019
Global productivity improvement plan	$ 11.5	$ 22.8	$ 71.6	$ 60.9
HHI distribution center consolidation	-	-	-	2.3
Other restructuring activities	(0.5)	0.7	1.0	2.5
Total restructuring and related charges	$ 11.0	$ 23.5	$ 72.6	$ 65.7

SPECTRUM BRANDS HOLDINGS, INC.

NET SALES SUMMARY (Unaudited)

(in millions, except %)	Three Month Period Ended September 30, 2020	Three Month Period Ended September 30, 2019	Variance		Twelve Month Period Ended September 30, 2020	Twelve Month Period Ended September 30, 2019	Variance	
HHI	$ 433.7	$ 364.9	$ 68.8	18.9 %	$ 1,342.1	$ 1,355.7	$ (13.6)	(1.0)%
HPC	302.3	285.8	16.5	5.8 %	1,107.6	1,068.1	39.5	3.7 %
GPC	278.3	228.9	49.4	21.6 %	962.6	870.2	92.4	10.6 %
H&G	156.3	113.4	42.9	37.8 %	551.9	508.1	43.8	8.6 %
Net Sales	$ 1,170.6	$ 993.0	177.6	17.9 %	$ 3,964.2	$ 3,802.1	162.1	4.3 %

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET SALES TO ORGANIC NET SALES (Unaudited)

Three Month Period Ended	September 30, 2020 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Net Sales September 30, 2019	Variance	
HHI	$ 433.7	$ (0.5)	$ 433.2	$ -	$ 433.2	$ 364.9	$ 68.3	18.7 %
HPC	302.3	(0.5)	301.8	-	301.8	285.8	16.0	5.6 %
GPC	278.3	(3.2)	275.1	(3.8)	271.3	228.9	42.4	18.5 %
H&G	156.3	-	156.3	-	156.3	113.4	42.9	37.8 %
Total	$ 1,170.6	$ (4.2)	$ 1,166.4	$ (3.8)	$ 1,162.6	$ 993.0	169.6	17.1 %

Twelve Month Period Ended	September 30, 2020 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Net Sales September 30, 2019	Variance	
HHI	$ 1,342.1	$ 0.4	$ 1,342.5	$ -	$ 1,342.5	$ 1,355.7	$ (13.2)	(1.0)%
HPC	1,107.6	18.9	1,126.5	-	1,126.5	1,068.1	58.4	5.5 %
GPC	962.6	1.1	963.7	(7.5)	956.2	870.2	86.0	9.9 %
H&G	551.9	0.1	552.0	-	552.0	508.1	43.9	8.6 %
Total	$ 3,964.2	$ 20.5	$ 3,984.7	$ (7.5)	$ 3,977.2	$ 3,802.1	175.1	4.6 %

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

Three Month Period Ended September 30, 2020 (in millions, except %)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Net income from continuing operations	$ 91.5	$ 11.3	$ 35.3	$ 26.4	$ (120.7)	$ 43.8
Income tax expense	-	-	-	-	35.6	35.6
Interest expense	-	-	-	-	38.0	38.0
Depreciation and amortization	8.8	8.8	9.3	5.0	3.6	35.5
EBITDA	100.3	20.1	44.6	31.4	(43.5)	152.9
Share and incentive based compensation	-	-	-	-	0.3	0.3
Restructuring and related charges	0.1	1.0	1.9	0.2	7.8	11.0
Transaction related charges	-	1.5	3.4	-	0.8	5.7
Loss on Energizer investment	-	-	-	-	8.7	8.7
Foreign currency loss on multicurrency divestiture loans	-	0.2	-	-	(1.3)	(1.1)
Other	-	(0.1)	-	(0.1)	(4.0)	(4.2)
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Net Sales	$ 433.7	$ 302.3	$ 278.3	$ 156.3	$ -	$ 1,170.6
Adjusted EBITDA Margin	23.1 %	7.5 %	17.9 %	20.2 %	- %	14.8 %

Three Month Period Ended September 30, 2019 (in millions, except %)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Net income (loss) from continuing operations	$ 69.1	$ (118.8)	$ 6.1	$ 14.1	$ (49.5)	$ (79.0)
Income tax benefit	-	-	-	-	(25.2)	(25.2)
Interest expense	-	-	-	-	37.0	37.0
Depreciation and amortization	8.3	8.9	16.8	4.9	3.5	42.4
EBITDA	77.4	(109.9)	22.9	19.0	(34.2)	(24.8)
Share and incentive based compensation	-	-	-	-	14.9	14.9
Restructuring and related charges	0.4	3.4	1.2	0.4	18.1	23.5
Transaction related charges	-	1.1	1.0	-	3.3	5.4
Gain on Energizer investment	-	-	-	-	(26.1)	(26.1)
Write-off from impairment of goodwill	-	116.0	-	-	-	116.0
Write-off from impairment of intangible assets	-	18.8	16.6	-	-	35.4
Foreign currency loss on multicurrency divestiture loans	-	-	-	-	6.7	6.7
Legal and environmental remediation reserves	-	-	-	-	10.0	10.0
Salus	-	-	-	-	0.4	0.4
Other	-	-	-	0.2	1.5	1.7
Adjusted EBITDA	$ 77.8	$ 29.4	$ 41.7	$ 19.6	$ (5.4)	$ 163.1
Net Sales	$ 364.9	$ 285.8	$ 228.9	$ 113.4	$ -	$ 993.0
Adjusted EBITDA Margin	21.3%	10.3%	18.2%	17.3 %	-	16.4%

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

Twelve Month Period Ended September 30, 2020 (in millions, except %)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Net income from continuing operations	$ 221.4	$ 42.9	$ 44.9	$ 91.2	$ (315.9)	$ 84.5
Income tax expense	-	-	-	-	70.9	70.9
Interest expense	-	-	-	-	144.5	144.5
Depreciation and amortization	33.9	35.2	44.4	20.4	14.6	148.5
EBITDA	255.3	78.1	89.3	111.6	(85.9)	448.4
Share and incentive based compensation	-	-	-	-	43.6	43.6
Restructuring and related charges	1.0	4.6	20.8	0.5	45.7	72.6
Transaction related charges	-	8.8	10.8	-	3.5	23.1
Loss on Energizer investment	-	-	-	-	16.8	16.8
Loss on assets held for sale	-	-	26.8	-	-	26.8
Write-off from impairment of intangible assets	-	-	24.2	-	-	24.2
Foreign currency loss on multicurrency divestiture loans	-	0.6	-	-	3.2	3.8
Salus	-	-	-	-	0.6	0.6
Salus CLO debt extinguishment	-	-	-	-	(76.2)	(76.2)
Other	-	0.1	0.1	-	(3.7)	(3.5)
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Net Sales	$ 1,342.1	$ 1,107.6	$ 962.6	$ 551.9	$ -	$ 3,964.2
Adjusted EBITDA Margin	19.1%	8.3%	17.9%	20.3%	-	14.6%

Twelve Month Period Ended September 30, 2019 (in millions, except %)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Net income (loss) from continuing operations	$ 214.6	$ (127.8)	$ 63.4	$ 84.9	$ (421.8)	$ (186.7)
Income tax benefit	-	-	-	-	(7.1)	(7.1)
Interest expense	-	-	-	-	222.1	222.1
Depreciation and amortization	33.5	64.6	48.8	19.3	14.6	180.8
EBITDA	248.1	(63.2)	112.2	104.2	(192.2)	209.1
Share and incentive based compensation	-	-	-	-	53.7	53.7
Restructuring and related charges	4.7	8.1	7.6	1.8	43.5	65.7
Transaction related charges	0.9	7.4	2.5	-	11.0	21.8
Loss on Energizer investment	-	-	-	-	12.1	12.1
Write-off from impairment of goodwill	-	116.0	-	-	-	116.0
Write-off from impairment of intangible assets	-	18.8	16.6	-	-	35.4
Foreign currency loss on multicurrency divestiture loans	-	-	-	-	36.2	36.2
Legal and environmental remediation reserves	-	-	-	-	10.0	10.0
GPC safety recall	-	-	0.7	-	-	0.7
Salus	-	-	-	-	1.6	1.6
Other	-	0.1	3.0	(0.5)	2.1	4.7
Adjusted EBITDA	$ 253.7	$ 87.2	$ 142.6	$ 105.5	$ (22.0)	$ 567.0
Net Sales	$ 1,355.7	$ 1,068.1	$ 870.2	$ 508.1	$ -	$ 3,802.1
Adjusted EBITDA Margin	18.7%	8.2%	16.4%	20.8%	-	14.9%

SPECTRUM BRANDS HOLDINGS, INC.

PROFORMA ADJUSTED EBITDA - COMPENSATION PROGRAM CHANGE

During the fourth quarter ended September 30, 2020, the Company made a change to its annual management incentive plans ("MIP") payout that previously provided for the issuance of stock for a designated pool of recipients in lieu of cash. The annual MIP payout will instead be fully funded through cash distributions with no stock issuance. Our operating performance metric of Adjusted EBITDA excludes any consideration for stock-based compensation expense. Due to the change in the form of payout, there was a reduction to our stock-based compensation and adjusted EBITDA for the three month and fiscal year ended September 30, 2020 of $17.0 million. For comparative purposes for the three month period and year ended September 30, 2020 respective of the prior period, we have included the following pro forma adjusted EBITDA results for the fiscal fourth quarter and year ended September 30, 2020. The following table reflects the pro forma compensation program change as if the $17.0 million was paid in stock and excluded from Adjusted EBITDA consistent to the prior period.

Three Month Period Ended September 30, 2020 (in millions)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Proforma compensation program change	-	-	-	-	17.0	17.0
Proforma Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (14.2)	$ 190.3
Twelve Month Period Ended September 30, 2020 (in millions, except %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Proforma compensation program change	-	-	-	-	17.0	17.0
Proforma Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (35.4)	$ 597.2

The Company has historically recognized all stock based compensation as a corporate cost and continued to do so for purposes of reporting adjusted EBITDA within the consolidated group. With the compensation program change described above, the Company maintained the compensation expense as a component of Corporate within the quarter and did not reflect the incremental change in the Segment EBITDA above.

SPECTRUM BRANDS HOLDINGS, INC.

PROFORMA ADJUSTED EBITDA - COMPENSATION PROGRAM CHANGE

The program change is expected to continue into fiscal 2021 and beyond. Any MIP payouts in future periods are expected to be paid in cash and reflected as a reduction to EBITDA and Adjusted EBITDA. Beginning in fiscal 2021, the Company will recognize a portion of the MIP compensation as a component of the segment EBITDA which may impact comparability of segment results in subsequent quarterly results during the fiscal year ending September 30, 2021. Although not expected to be material to operating results in future periods, we have included proforma financial information below to reflect the compensation charge related to the compensation program change as if it were not considered stock compensation at the beginning of 2020 fiscal year and have allocated it to the segment EBITDA for each of the quarterly and year-to-date periods within the year ended September 30, 2020 for comparability in subsequent future reporting periods.

Three month period ended December 29, 2019	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 42.8	$ 36.4	$ 31.5	$ (3.3)	$ (5.2)	$ 102.2
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.2)	(2.6)	(4.2)
Proforma Adjusted EBITDA	$ 42.2	$ 36.0	$ 31.1	$ (3.5)	$ (7.8)	$ 98.0

Three month period ended March 29, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 69.5	$ 8.0	$ 40.0	$ 28.4	$ (5.5)	$ 140.4
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.3)	(2.6)	(4.3)
Proforma Adjusted EBITDA	$ 68.9	$ 7.6	$ 39.6	$ 28.1	$ (8.1)	$ 136.1

Six month period ended March 29, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 112.3	$ 44.4	$ 71.5	$ 25.1	$ (10.8)	$ 242.5
Proforma compensation program change	(1.3)	(0.8)	(0.7)	(0.5)	(5.2)	(8.5)
Proforma Adjusted EBITDA	$ 111.0	$ 43.6	$ 70.8	$ 24.6	$ (16.0)	$ 234.0

Three month period ended June 28, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 43.6	$ 25.0	$ 50.6	$ 55.5	$ (10.3)	$ 164.4
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.2)	(2.7)	(4.3)
Proforma Adjusted EBITDA	$ 43.0	$ 24.6	$ 50.2	$ 55.3	$ (13.0)	$ 160.1

Nine month period ended June 28, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 156.0	$ 69.4	$ 122.1	$ 80.6	$ (21.1)	$ 407.0
Proforma compensation program change	(1.8)	(1.2)	(1.1)	(0.7)	(7.9)	(12.7)
Proforma Adjusted EBITDA	$ 154.2	$ 68.2	$ 121.0	$ 79.9	$ (29.0)	$ 394.3

Three month period ended September 30, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Proforma compensation program change	(1.4)	(1.0)	(1.2)	(0.7)	17.0	12.7
Proforma Adjusted EBITDA	$ 99.0	$ 21.7	$ 48.7	$ 30.8	$ (14.2)	$ 186.0

Twelve month period ended September, 2020	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Proforma compensation program change	(3.2)	(2.2)	(2.3)	(1.5)	9.2	-
Proforma Adjusted EBITDA	$ 253.1	$ 90.0	$ 169.7	$ 110.6	$ (43.2)	$ 580.2

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW

The following is a reconciliation of net cash flow from operating activities to adjusted free cash flow for the year ended September 30, 2020 and forecasted for the year ending September 30, 2021.

(in millions)	September 30, 2020	September 30, 2021
Net cash flow from operating activities	$ 290	$ 310 - 330
Purchases of property, plant and equipment	(61)	(85) - (95)
Divestiture related separation costs and taxes	25	25 - 35
Adjusted free cash flow	$ 254	$ 250 - 270